



Center for Nonproliferation Studies
Monterey Institute of International Studies

U.S. Nonproliferation Policy

**Testimony
of
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**Before
the
Subcommittee on Oversight and Investigations
Committee on International Relations
U.S. House of Representatives
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Thank you, Mr. Chairman for the opportunity to testify this morning on U.S. nonproliferation policy.

As we meet, the United States and its friends face a moment of particular danger. Islamic extremists in Palestine, Lebanon, and Iraq are intensifying terrorist acts against civilians to the point that war has broken out on two of Israel's borders, and the level of conflict in Iraq threatens civil war in that country.

Some Israeli officials have explicitly threatened to take the conflict with Hamas and Hezbollah to the source,¹ which they perceive to be Iran and Syria. If hostilities continue to escalate and Iran becomes a focus of Israeli retaliation, it is not hard to imagine that Iran's nuclear sites will be at the top of Israel's target list. Nor is it hard to imagine Iran responding with its intermediate-range, Shahab-3 missile, originally supplied by North Korea, possibly armed with chemical weapons. Given the closeness of U.S.-Israeli relations and the pervasive U.S. military presence in the region, Iran would certainly accuse the United States of complicity in any Israeli attack, creating further dangers, particularly to U.S. interests in Iraq. The Bush Administration has rightly sought to confine the conflict to Gaza and Lebanon, but this situation is highly unstable and no one can predict how events will unfold.

Matters are only slightly less volatile in South Asia, where it is possible that the Mumbai commuter train bombings, which killed over 200, will be traced to Islamic extremist groups that India believes are supported by Pakistan. This could easily lead to a military confrontation between the two South Asian states, with the potential for escalation to the nuclear level, comparable to the crisis that followed the December 2001 terrorist attack on the Indian parliament.

¹ "Israel: Iranian troops helping Hezbollah attack," Associated Press, July 16, 2006, <http://msnbc.msn.com/id/13875121/>

Meanwhile, both Iran and North Korea are giving the back of the hand to the efforts within the UN Security Council to restrain their nuclear programs and the North Korean missile program.

With events unfolding so rapidly and key issues, such as the content of the Group of Six² offer to Iran still classified, it is difficult to forecast whether U.S. policy will measure up to these challenges. Nonetheless, a number of points can be offered on certain aspects of U.S. strategy.

Important successes. The Administration has enjoyed a number of notable accomplishments. These include

- defusing the 2001-2002 India-Pakistan crisis;
- eliminating Libya's weapons of mass destruction (WMD) and longer-range missile programs;
- rolling up the A.Q. Khan network;
- creating the Proliferation Security Initiative for interdicting WMD cargoes in transit;
- advancing U.S. cooperative threat reduction programs in the former Soviet Union;
- gaining adoption of UN Security Council Resolution 1540, requiring all states to implement strict domestic and export controls over WMD materials; and
- implementing a multi-pronged strategy to reduce the risk of nuclear terrorism, with the latest addition to these efforts just announced at the G-8 Summit, in St. Petersburg. (I would note, however, that Russia has yet to fully acknowledge this threat. In its recent "White Paper" on proliferation, for example, it does not address the nuclear terror threat. This is especially distressing in that Russia has the world's largest stocks of poorly secured nuclear weapons-usable materials, as well as a domestic insurgency that has engaged in extremely serious acts of terrorism.)

As important as these accomplishments have been, however, other U.S. nonproliferation efforts have experienced significant setbacks and, in some cases, the Administration has taken steps that will make the job of

² The Group of Six consists of the five permanent members of the UN Security Council (China, France, Russia, the United Kingdom, and the United States) plus Germany.

constraining weapons of mass destruction and advance delivery systems more difficult in the days ahead.

War in Iraq. I sincerely hope that the United States is successful in bringing stability and democracy to Iraq. It must be recognized, however, that the war has made pursuit of U.S. nonproliferation goals in Iran and North Korea far more difficult. The failure to find WMD in Iraq, for example, has led states whose support we need to raise questions about the accuracy of U.S. intelligence pronouncements in these other settings. Moreover, in part because of memories of U.S. invocation of Chapter VII of the UN Charter to authorize the war against Iraq, it has become increasingly difficult for the United States to gain consensus to use the full range of Chapter VII authority to pressure Iran and North Korea. The fact that U.S. forces are tied down in Iraq, it may be added, has undoubtedly emboldened Tehran and Pyongyang to believe they can pursue their unconventional weapon programs with impunity.

Iran. Under the circumstances, the Administration deserves credit for working the Iran case so actively and for showing a degree of flexibility in meeting this challenge, in terms of the incentives that it is willing to offer Iran in return for giving up its pursuit of sensitive nuclear technologies and in terms of the readiness it showed to engage in direct negotiations under certain conditions. The attachment at the end of my testimony illustrates the range of efforts that Administration has marshaled in this cause. Developments at the UN this week and next, where the Security Council will consider a mandatory resolution under Article 41 of Chapter VII requiring Iran to suspend its sensitive nuclear activities or face economic penalties (but not the threat of military intervention) will be particularly important.

North Korea. Bush Administration policy has so far failed in North Korea. I believe history has already recorded that the Administration's unwillingness to engage with Pyongyang until late 2002 and its accusatory and confrontational tactics thereafter led to the loss of the 1994 Agreed Framework, to North Korea's withdrawal from the nuclear Nonproliferation Treaty (NPT), and to its resumption of plutonium production. This has led to a quadrupling or quintupling North Korea's nuclear arsenal compared to when the Administration took office. We are also seeing, in North Korea's recent missile tests, the fruit of the Administration's unwillingness to continue the dialogue begun under President Clinton concerning the DPRK missile program. To be sure, the Agreed Framework had important flaws

and we now know that North Korea was cheating through its clandestine uranium enrichment program, but the Agreed Framework did, in fact, lock down Pyongyang's plutonium program very effectively; this is North Korea's only program believed to have successfully produced fissile material. Similarly, missile negotiations might not have worked out, but in 2001, there was significant momentum towards restraining the North's missile capabilities. This momentum was dissipated by the Administration's failure to sustain the negotiations.

Today, we are left with a policy of containment and negotiation that has little to show for several years of effort. UN Security Council Resolution 1695 condemning North Korea's missile tests and calling on all states not to support the country's missile programs in any way is a valuable measure. But returning to *the status quo ante* of 2001, much less fully eliminating North Korea's nuclear and missile programs, looks to be a very distant prospect.

Pakistan. In Pakistan, the United States faces grave risks that political instability, corruption within the nuclear chain of command, or a terrorist-inspired crisis could suddenly alter the global nuclear landscape by placing nuclear weapons in the hands of Islamist extremists or triggering a nuclear confrontation with India. The only means available for concerned outside states to mitigate these dangers is through a sustained program of political support for Musharraf and other pro-Western elements in Pakistani society; steady and substantial economic assistance to Islamabad to alleviate the conditions that give rise to political extremism and terrorism; and diplomatic efforts to encourage India and Pakistan to reduce tensions over Kashmir. The United States, and other Western nations are now committed to such interventions, but they will take many years to bear fruit, during which time the risks I mentioned will continue.

U.S. India Agreement/Nonproliferation Regime. The July 18, 2005, U.S.-India deal is particularly unfortunate because it so directly weakens an important element of the nuclear nonproliferation regime at a moment when the regime needs to be strengthened and reinforced. The element of the regime that is being set aside is the rule that outside states should not support the nuclear sector of countries states deemed to be non-nuclear weapon states under the NPT, unless they have accepted IAEA inspections on all of their nuclear activities. India has not taken this step, and many of its uninspected nuclear facilities are being used to support its nuclear weapon

program. The United States was the champion of this supply restriction internationally, and, in 1992, it gained the agreement of all members of the Nuclear Suppliers Group (NSG) to implement it.

Modifying this rule in the case of India might be a reasonable choice in return for significant new Indian nonproliferation commitments. The Administration, however, is now supporting such a change in return for extremely modest nonproliferation pledges from New Delhi – indeed, far less than what the Administration, itself, originally sought.

This policy is already eroding discipline at the NSG, where Russia is exploiting a loophole in the NSG rules to sell nuclear fuel to India, a loophole that the United States had worked for years to close. Fortunately, Congress has stepped in, and legislation pending in both the House and the Senate would strengthen the Administration proposal in a number of important respects. Next week the House will have the opportunity to further strengthen the nuclear deal by amending the current Committee bill to include important additional nonproliferation conditions before nuclear trade with India can move ahead.

I would also like to take note of the failure of the United States to strongly condemn the test of India's Agni III, which took place shortly after the North Korean tests. U.S. silence on the Indian action undoubtedly contributed to Chinese reluctance to take stronger measures against North Korea for its recent missile launches. The Agni III, which will carry a nuclear payload, is intended to serve as India's principal deterrent against China.

Like the U.S.-India agreement, the Administration's readiness to play favorites so openly rather than pursue a more even-handed course in constraining WMD and advanced delivery systems can only erode international consensus on strong nonproliferation measures.

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Let me now turn to the **Global Nuclear Energy Partnership (GNEP)** and the role of the U.S. nuclear industry.

First, we need to realize that the GNEP is likely to play only a minor role in U.S. nonproliferation efforts, a point that is well illustrated in the chart I

have provided on U.S. nonproliferation efforts vis-à-vis Iran. The chart shows GNEP to be only one subcomponent of one of seven major elements of U.S. nonproliferation strategy. And, of course, new technologies under GNEP are not likely to be available until long after the Iranian nuclear question is decided, one way or another.

Second, I am highly skeptical of the utility of costly advanced reactor technologies. To be sure some of these technologies look promising from the purely technological standpoint, but give the political burdens that nuclear energy confronts around the world and the very long lead times for constructing nuclear power plants, it is likely to be decades before such new reactors might actually make a contribution either to nonproliferation or to global energy needs. While further research and development may make sense, we should be careful before assuming that they will provide a dramatic pay-off at some future time.

Third, I believe spent fuel processing options of the kind GNEP is exploring do not make much sense.

- They are extremely costly compared to continued storage of spent fuel.
- They result in the removal of highly radioactive waste products from the plutonium and remaining uranium in spent fuel, which inevitably makes the weapons-usable plutonium more readily available for use in nuclear weapons. (For this reason, the IAEA, considers fuels that contain mixed plutonium and uranium oxide to be as great a proliferation risk as separated plutonium.)
- Fuel processing options do not reduce the scale of permanent geologic repositories needed for the permanent storage of dangerous nuclear wastes, because the vitrified high-level nuclear wastes resulting from these technologies are physically hotter than spent fuel, requiring greater separation between storage canisters in the repository. (It should be added that plutonium burner reactors create their own complex nuclear waste streams, including the plutonium-contaminated equipment used to process spent fuel and fabricate new plutonium-bearing fuel; the burner reactors themselves; and the spent fuel from those burner reactors.)
- These technologies are unnecessary, in that spent fuel can be stored indefinitely, is easy to keep track of, binds plutonium to highly

radioactive substances that make its separation difficult, and employs proven technologies that are in use today.

I should add that Congress has authorized the expenditure of many hundreds of millions of dollars to put U.S. and Russian weapons plutonium *into* nuclear power reactor spent fuel, an unambiguous endorsement that the material provides a mechanism for safely locking up plutonium for the indefinite future.

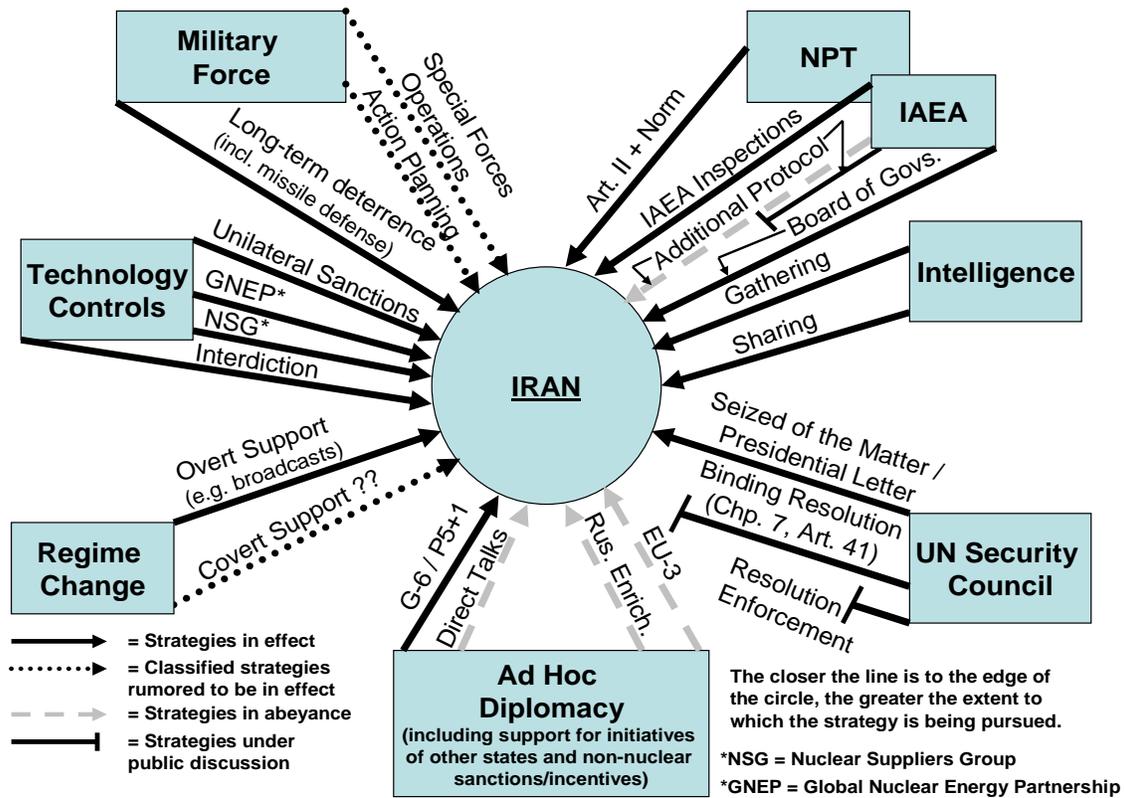
Fourth, fuel-bank/assured fuel supply concepts to be explored under GNEP are worthwhile, but their actual use will have to be carefully considered on a case-by-case basis. We would not want to provide such an assured supply of fuel to India, for example, when we have enacted laws providing for the termination of nuclear commerce with that country in the event that it conducts a nuclear test or takes certain other actions.

Finally, returning to the role of the U.S. nuclear industry, I would note that the new agreement with India is unlikely to bring many jobs to the United States. Russia, which is now constructing two nuclear power plants in India, and France will be the most likely economic beneficiaries of the new accord.



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Overview of U.S. Nuclear Nonproliferation Policy vis-à-vis Iran



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